



Minutes of the Board Meeting held on Tuesday 9th June 2009 at 4pm at Link House, 2c New Mart Road, Edinburgh.

Present:	Mr R Robertson (Chairman)	In attendance:	Mr C Sanderson
	Mr E Banks		Mr N Hall
	Mr C Macneill		Ms E Johnston
	Mr A Colston		Mrs H Bayne
	Mr J Hinton		Ms M Middleton
	Mr D McMillan		Ms B Higgins
	Mr J O'Neill		Mr C Culross
	Mr D Esslemont		Ms P Boniface (Minutes)

Observer: Mr R Shorter

BUSINESS

- | | Action |
|--|---------------|
| 1. DECLARATIONS OF INTEREST | |
| None | |
| 2. APOLOGIES | |
| Apologies were received from Mr Clark, Mr Foreman, Mr McMillan and Mr Reidford (Leave of absence). | |
| 3. APPROVAL OF THE MINUTES OF THE MEETING HELD ON 12th MAY 2009 | |
| The minutes of the meeting held on May 12 th 2009 were approved: | |
| Moved: Mr Banks | |
| Seconded: Mr Colston | |
| 4. MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON 12th MAY 2009 | |
| 4.1 Millarston Drive Paisley | |
| CONFIDENTIAL | |

4.2 Internal Audit Programme 2009/10

The Board noted that Mr Culross assessed the adequacy of property condition surveys and the appropriateness of estimated costs and that he continued to review Link's procedures on property surveys and of assessing costs attributed with major works and building component replacements.

4.3 Horizon

Mrs Bayne confirmed to the Board that after discussions with Mr Pollock and Mrs Higgins it had been decided that it was not appropriate at this time to transfer the development team from Horizon to Link. Horizon had been informed of this decision and advised that Link will review the matter again in a year's time. The Board noted that Link was on schedule to complete the due diligence exercise by the end of June.

Mrs Middleton updated the Board on her attendance at the Horizon Tenants Conference, which had taken place on 4th June 2009. Mr Sanderson and Mr Watt had also attended the conference. Approximately 50 tenants had taken part and it had been a positive event and Link's presence had been welcomed.

4.4 LinkLiving/The Action Group

Mr Sanderson updated the Board that the meeting was still scheduled for 16th June and would be with both the Director of the Action Group and the Chair of its Management Committee.

4.5 Quarterly Loan Compliance

The Board noted that the quarterly management accounts had been submitted to Link's lenders.

4.6 Any Other Matters Arising

None.

5. STANDING ORDERS

The Board approved the amendments to the Standing Orders as proposed at the May Board meeting.

6. FIVE YEAR FINANCIAL PROJECTIONS

Mr Hall confirmed that Financial Projections to be submitted to the Scottish Housing Regulator were entirely based on the budget approved by the Board in March 2009 and there were no areas in the Projections which gave cause for concern.

The Board approved the submission of the Five Year Financial Projections to the Scottish Housing Regulator. JNH

7. FUNDING THE DEVELOPMENT PROGRAMME

The Board considered the previously circulated report and approved entering into the Loan Agreement with Abbey National Treasury Services plc. The Board further agreed that the authorised signatories

for the purposes of operation of the Loan Facility Agreement would be Mr Robertson, Mr Sanderson, Mr Hall and Mrs Utterson. It was also agreed that Mr Robertson and Mr Hall were authorised to sign the Loan Facility Agreement and the Security Trust Deed and that Mr Hall was authorised to sign the Security Trustee Fee Letter and the Officer's Certificate.

The Board agreed that a number of properties would be required to be secured to the Abbey and delegated authority to Mr Hall to select schemes which would provide the level of cover. Application for Section 66 Consent was agreed in respect of these schemes and that any Board Member could sign the Consent application.

In accordance with the request from the solicitors acting for the Abbey the Board passed the following minute:

FACILITY AGREEMENT BETWEEN THE COMPANY AND ABBEY NATIONAL TREASURY SERVICES PLC

1. The Board noted that the proposed facility agreement between, among others, the Company and Abbey National Treasury Services plc ("**Abbey**") had been agreed. The Board considered the previously circulated extract minute which the Bank's solicitors had requested be approved by the Board.
2. The following documents, in connection with the proposed facility to be made available to the Company by Abbey pursuant to the terms of the Facility Agreement (as defined below) were produced to the meeting, each substantially in final form:
 - (a) the facility agreement (the "**Facility Agreement**") between the Company as Borrower, Abbey as Arranger, Original Lender and Agent and Prudential Trustee Company Limited as Security Trustee (as each such term is defined in the Facility Agreement) in respect of a term loan facility of up to £15,000,000 (the "**Facility**");
 - (b) a security trust deed (the "**Security Trust Deed**") between the Company, the Security Trustee and the Agent;
 - (c) a form of standard security (the "**pro-forma Standard Security**") to be granted by the Company in favour of the Security Trustee in respect of those properties over which it would grant security in favour of the Security Trustee in order to, among other things, satisfy the financial covenants detailed at clause 17 of the Facility Agreement;
 - (d) a fee letter (the "**Fee Letter**") between the Company and the Arranger setting out the amount of various fees to be paid by the Company to the Arranger;
 - (e) a security trustee fee letter (the "**Security Trustee Fee Letter**") between the Company and the Security Trustee setting out the fees to be paid by the Company to the Security Trustee;
 - (c) an officer's certificate (the "**Officer's Certificate**") to be given

by an authorised signatory of the Company containing various certifications required pursuant to the Facility Agreement and including a list of the authorised signatories of the Company with a specimen signature of each authorised signatory.

3. It was reported to the meeting that the borrowing by the Company of the full amount of the Facility under the Facility Agreement would not breach the rules or any existing contractual or statutory obligations of the Company and that the Company was fully empowered to enter into the Facility Agreement and to perform its obligations thereunder.
4. The Board of Management, having reviewed the advice of the Director of Finance and Corporate Services on the financing arrangements for the Company, considered that:
 - (a) the proposed Facility under the Facility Agreement was necessary in order for the Company to implement its Business Plan (as that term is defined in the Facility Agreement);
 - (b) the terms of the Facility Agreement were reasonable having regard to the status of the Company as a Registered Social Landlord; and
 - (c) in accordance with forecasts set out in the Business Plan, it will be able to repay the Facility on the terms set out in the Facility Agreement.
5. The Board of Management RESOLVED:
 - (a) that borrowing the Facility is consistent with the Company's borrowing strategy and that the Board of Management considers that entering into the Facility Agreement is in the best interests of the Company;
 - (b) that the Company be authorised to borrow up to £15,000,000, on the terms specified in the Facility Agreement, to be utilised in furtherance of the objects of the Company and that the Company's participation in the Facility Agreement be approved;
 - (c) that the Facility Agreement and Security Trust Deed be approved in substantially the form of the relevant draft presented to the meeting with such amendments as any two Authorised Signatories (as defined in Paragraph 5(d) below) shall in their discretion approve;
 - (d) that Mr R Robertson (Chairman) and Mr N Hall (Secretary) (each an "Authorised Signatory" and together the "Authorised Signatories") be and are hereby authorised to agree the final terms of the Facility Agreement, Security Trust Deed and any other document which they consider necessary or desirable in connection with the entry by the Company into the Facility Agreement with such amendments as they shall approve;
 - (e) that any one Authorised Signatory be and hereby is authorised on behalf of the Company to execute the Facility Agreement, the Security Trust Deed and any other document which is

required to be executed pursuant to the Security Documents and any other Finance Document (as those terms are defined in the Facility Agreement) which is required to be executed, which documents shall be either sealed or witnessed as appropriate, and registered in the books of the Company;

- (f) that any one Authorised Signatory be and hereby is authorised on behalf of the Company to execute and deliver any other documents, notices, letters or other communications (including the Officer's Certificate, Fee Letter and Security Trustee Fee Letter in substantially the form of the relevant drafts presented to the meeting) and to perform all matters, acts and things which such person in his/her absolute discretion deems to be necessary or desirable in connection with the Facility Agreement or any other Finance Document including the provision of any certificates required as a condition precedent to a loan advance;
- (g) that, in connection with any Loans to be made in terms of the Facility Agreement, any Authorised Signatory is hereby authorised to agree with the Agent the length of any interest periods and or the rate or rates of interest to be charged on Loans (as defined in the Facility Agreement).

8. ANNUAL STATISTICAL PERFORMANCE RETURN (APSR)

The Board noted that the return had been reviewed by the Senior Management Group and Mr Robertson.

The Board ratified the decision of Mr Robertson to submit the APSR to the Scottish Housing Regulator.

Mr Colston requested that the information on Governing Body Membership (Appendix I) be updated to reflect that he was a Committee Member of East Lothian Housing Association and a Trustee of Amisfield Garden Trust.

Mr Culross agreed to advise the Regulator of these changes.

CC

9. RISK MANAGEMENT COMMITTEE

Mr Culross updated the board on the Risk Management Committee (RMC) meeting, which had taken place before the Board meeting.

The Board agreed to the recommendation by the RMC to accept the lowest tender for the refurbishment and reconfiguration to form 6 flats at Jellicoe Street, Dalmuir.

The Board also agreed to proceed with the purchase of land at Oakwood Phase 2, Cumbernauld subject to satisfactory assignation of Collateral Warranties, changing the housing design to Link's specification and a re-valuation of the land price by the District Valuer.

The Board agreed that the summary of the RMC meeting would be attached and form part of the minute record.

10. APPLICATION TO PURCHASE GARAGE AND GROUND AT
MORTONHALL EDINBURGH

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11. AUTHORISED SIGNATORIES

The Board considered the previously circulated report and agreed that the undernoted signatories be authorised to sign HAG claims, accept offers of HAG, to sign Right to Purchase forms, Applications for Project Approvals, Shared Ownership Documents and to sign other associated HAG forms (completion returns etc.)

Craig Sanderson	Chief Executive
Neil Hall	Secretary
Colin Culross	Asset Management Director
Brenda Higgins	Director of Regeneration and Development
Maureen Middleton	Director of Housing and Technical Services
John McDowall	Development Manager
Lorraine Utterson	Finance Manager

12. LINK OVERHEADS AND OVERHEAD ALLOCATION

Mr Hall explained the background and context to the report. He confirmed that irrespective of how overheads are allocated (and whether or not subsidiaries were charged the full cost of the overheads) it was critical for the Board to understand the full cost of Link carrying out various functions and activities.

The Board discussed the report and acknowledged that Link's position on group overheads had to be resolved so that the matter did not arise as often as it had in the recent past and that to achieve this aim may take several months. Resolution might also be affected by further consideration of the group structure and Link's stance may have to be altered with regard to other organisations joining the group in that Link may require such organisations to buy in to Link's central services

It was agreed that the subsidiaries would be asked for their feedback and comments and that Mr Hall would invite all Board Members to submit comments and questions to him so that a further report could be provided to the September Board meeting. JNH

It was further agreed that when the matter was considered again that it would be useful to present the overheads borne by subsidiaries as a percentage of trading income and this information could be used to benchmark against other organisations. JNH

13. HUMAN RESOURCES

Mrs Bayne tabled an updated report to include the section headings which had not been printed on the copy of the report circulated with the papers.

The Board noted that Link had spent less than budget on recruitment costs and it was intended that such a position would continue as Link advertised more jobs on recruitment websites.

Mrs Bayne reported that staff turnover was high in LinkLiving and Link Homes but that in the case of LinkLiving the figures included staff who had accepted

voluntary redundancy. Link Homes had employed a high number of temporary staff in connection with the management of the Open Market Shared Equity Pilot, many of whom had left the organisation at the end of the 2008/09 programme.

It was noted that short-term absences had decreased significantly from the previous year. Mrs Bayne confirmed that this had been achieved by employing a monitoring system called the Bradford Factor which helped greatly in identifying absence problems at an early stage.

Mrs Bayne advised that staff members are encouraged to take advantage of the pension scheme and they can pay lower levels of contributions.

It was noted that Link aimed to employ staff with an ethnic minority background and to achieve a position which was representative of the population as a whole in Scotland. A survey of all staff to refresh diversity data will take place in 2009/10.

It was agreed that in future reports the number of long-term absences would be analysed further to provide a better understanding including identifying time periods involved.

HB

14. FINANCE DEPARTMENT REPORT

The Board considered and noted the previously circulated report.

15. EXECUTION OF LEGAL DOCUMENTS

The Board considered and noted the previously circulated report.

16. RESIGNATION OF LINKLIVING BOARD MEMBERS

The Board noted the resignation of Fiona Jackson and David White from the Board of LinkLiving and recorded appreciation of the contribution made by both.

17. ANY OTHER BUSINESS

17.1 Appointment to Link Group Board

Mr Robertson proposed that Mr Bob Shorter should be appointed as a full member of the Board, as he is currently the Chairman of the LinkLiving Board. The Board unanimously agreed and welcomed Mr Shorter to the Board.

17.2 Social Enterprise Clydebank – Parliamentary Reception

Mr Robertson reported that he attended the above function and had found it to be a very positive night and good recognition of the work of Social Enterprise Clydebank (formerly trading as Dalmuir Community Concierge Service) which had been founded by Link. A presentation had been made to two Link members of staff.

It was agreed that Mr Sanderson would make a presentation to the Board in August so that the Board had a better understanding of social enterprise generally and potential opportunities.

CS

17.3 CSVO 10th Annual Awards Ceremony

Mr Robertson advised that LinkLiving Smartliving Falkirk had won the award for Youth Engaging Volunteer Service of the Year at the above ceremony for the 3rd time. A Smartliving volunteer had also won an award for Young Volunteer of the Year. The Board congratulated the staff and volunteers on receiving these awards.

17.4 Affordable Housing Investment Reform

Mr Sanderson advised that the Scottish Government had produced a summary of responses received to the consultation paper. A report would be provided to the July Board meeting. **CS**

17.5 Leadership Development Programme

Mr Robertson advised that Directors and Managers would embark upon this programme from September until March next year. Mr Sanderson confirmed that the Directors had started work with the training provider (Brodies) to agree the structure and were looking forward to participating in a challenging training programme.

17.6 Scotsman Housing Awards

Mrs Higgins advised that Link had taken a table at the above event on 26th June 2009. It was likely that spaces would be available and Board Members may be contacted soon in that regard.

17.7 Asian Awards Achievements

The Board noted that Link was hosting a table and presenting/ sponsoring an award at the above event on 29th June 2009.

17.8 Meet Horizon Board Members

Mr Sanderson proposed dates for meeting Horizon Board Members. The format would be an early evening dinner and provisional dates were 17th/22nd/23rd June. The date and venue would be confirmed soon. **CS**

17.9 Mid-Market Rent

Mrs Higgins tabled a summary of a draft guidance note. Mrs Higgins advised that this was for information only at this point as the draft guidance was confidential.

17.10 Application For Membership

A membership application had been received from James Robert John Allan and the Board approved his appointment as a member of the Link Group.

18. DATE OF NEXT MEETING

Tuesday 14 July 2009 at 4:00pm in the Sievewright Suite, 2c New Mart Road, Edinburgh.

The Meeting closed at 17.50 p.m.